

To the Members of the California State Senate:

I am returning Senate Bill 840 without my signature.

According to the Legislative Analyst's Office, the bill is estimated to cost \$210 billion in its first full year of implementation and cause annual shortfalls of \$42 billion. To place this in proper perspective - our state budget deficit this year started at \$24.3 billion.

I cannot support a bill that places an annual shortfall of over \$40 billion to our state's economy.

Sincerely,

Arnold Schwarzenegger